



***Puerto Rico Department of Treasury***  
***Treasury Single Account ("TSA") FY 2018 Cash Flow***  
***As of January 26, 2018***

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- *The report dated January 19, 2018, "Summary of Bank account Balances for Puerto Rico Governmental Instrumentalities As of December 31 2017," (the "Bank Account Balance Report") disclosed the balance of Other Puerto Rico Treasury Custody Accounts of \$580 million as of December 31, 2017. This balance was further segmented into \$374M in pension-related funds (Employee Withholdings and Pay-Go Charges), \$142M in Central Government non-TSA funds (lottery-related funds and other funds held and administered by central government agencies), and \$64M held TSA Sweep Accounts that collect income and completely pass through to TSA on a daily basis (includes General Collections Posts, Agency Collections Posts, and SUT). As further set forth in the Bank Account Balance Report, processes are currently in place to continue evaluating the accounts, including analyzing the cash inflows and outflows and reviewing legal restrictions relative to funds deposited into the bank accounts.*

**Glossary**

| Term                                | Definition  |
|-------------------------------------|---|
| <b>AACA</b>                         | Automobile Accident Compensation Administration, or Administración de Compensaciones por Accidentes de Automóviles, is a component unit of the Commonwealth of Puerto Rico.   |
| <b>Act 154</b>                      | Act 154 means Act No. 154-2010, which, inter alia, imposes a temporary excise tax on the acquisition by multinationals of certain property manufactured or produced in whole or in part in Puerto Rico and on the acquisition of certain manufacturing services carried out in Puerto Rico. The Act 154 temporary excise tax expires on December 31, 2027.  |
| <b>AFI/RBC</b>                      | Infrastructure Financing Authority.   |
| <b>Agency Collections</b>           | Collections made by central government agencies at collection posts for services rendered by the agencies as well as fees, licenses, permits, fines and others.   |
| <b>Approved FY 2018 Budget</b>      | Consolidated Budget for Fiscal Year 2018 approved by the Puerto Rico Legislative Assembly on July 13, 2017.   |
| <b>ASC</b>                          | Compulsory Liability Insurance, private insurance company.  |
| <b>ASSMCA</b>                       | Administración de Servicios de Salud Mental y Contra la Adicción, or Mental Health and Addiction Services Administration, is an agency of the Commonwealth of Puerto Rico.  |
| <b>Bank Checks Paid</b>             | A report provided by the bank that is utilized to determine vendor payments.  |
| <b>BPPR</b>                         | Banco Popular of Puerto Rico.   |
| <b>Budget Reserves</b>              | Non-cash reserves for budgeting purposes. Consist of a Liquidity Reserve (\$190M), OMB Reserve (\$446M), Budgetary Reserve (\$85M), Other Income Reserve (\$84M), and Emergency Fund (\$30M).   |
| <b>Checks in Vault</b>              | Refers to checks issued but physically kept in vault.   |
| <b>Clawback Funds</b>               | Pursuant to Executive Order No. 46, certain available resources of the Commonwealth assigned to PRHTA, PRIFA, PRCCDA and PRMBA to pay debt service on their obligations were, and continue to be, retained by the Commonwealth pursuant to Article VI, Section 8 of the Constitution of the Commonwealth.   |
| <b>Collections</b>                  | Collections made by the Department of the Treasury (Treasury) at collection posts and/or the Treasury revenue collection systems, such as income taxes, excise taxes, fines and others.   |
| <b>DTPR</b>                         | Department of the Treasury of Puerto Rico.  |
| <b>EQB</b>                          | Environmental Quality Board, or Junta Calidad Ambiental, is an agency of the Commonwealth of Puerto Rico.   |
| <b>ERS</b>                          | Employees Retirement System means the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, a statutory trust created by Act No. 447 of May 15, 1951, as amended, to provide pension and other benefits to retired employees of the Commonwealth, its public corporations and municipalities. ERS is a fiduciary fund of the Commonwealth of Puerto Rico for purposes of the Commonwealth's financial statements.   |
| <b>General Fund</b>                 | General Fund (Operating Fund) means the Commonwealth principal operating fund; disbursements from such fund are generally approved through the Commonwealth's annual budgeting process.   |
| <b>DTPR Collection System</b>       | This is the software system that DTPR uses for collections.   |
| <b>HTA</b>                          | Puerto Rico Highways and Transportation Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.  |
| <b>JRS</b>                          | Judiciary Retirement System means the Retirement System for the Judiciary of the Commonwealth of Puerto Rico, a statutory trust created to provide pension and other benefits to retired judges of the Judiciary Branch of the Commonwealth. JRS is a fiduciary fund of the Commonwealth of Puerto Rico for purposes of the Commonwealth's financial statements.  |
| <b>Liquidity Plan</b>               | The FY 2018 Treasury Single Account Liquidity Plan was prepared at the beginning of the fiscal year based on the approved FY 2018 Budget, was projected monthly through June 2018, and is used as the benchmark against which results are measured. As a result of material economic and operational changes stemming from Hurricanes Irma and Maria, DTPR is in the process of developing a reforecast of TSA cash flows to year-end. Until then, the original TSA forecast will continue to serve as the measure for cash flow variances.   |
| <b>Net Payroll</b>                  | Net payroll is equal to gross payroll less tax withholdings and other deductions.   |
| <b>Nutrition Assistance Program</b> | NAP, or the Nutrition Assistance Program, also known as PAN, or Programa de Asistencia Nutricional is a federal assistance nutritional program provided by the United States Department of Agriculture (USDA) solely to Puerto Rico.  |
| <b>PR Solid Waste</b>               | Puerto Rico Solid Waste Authority.  |
| <b>PRASA</b>                        | Puerto Rico Aqueducts and Sewers Authority.   |
| <b>PREPA</b>                        | Puerto Rico Electric Power Authority.   |
| <b>PRHA</b>                         | Puerto Rico Housing Authority.  |
| <b>PRIFAS</b>                       | Puerto Rico Integrated Financial Accounting System.   |
| <b>Reconciliation Adjustment</b>    | Reserve account in DTPR cash flow, related to E&Y's Expense Reconciliation Adjustment (RA) as per the Fiscal Plan certified on March 13, 2017.  |
| <b>Retained Revenues</b>            | Revenues conditionally assigned to certain public corporations and the collections of those revenues are through accounts referred to as "pass through" accounts. The largest of these pass-through accounts consist of (i) AACA auto insurance, (ii) AFI/RBC petroleum tax, (iii) ASC personal injury insurance, (iv) HTA toll revenues.   |
| <b>RHUM System</b>                  | This is the software system that DTPR uses for payroll.   |
| <b>SIFC</b>                         | State Insurance Fund Corporation.   |
| <b>Special Revenue Funds</b>        | Commonwealth governmental funds separate from the General Fund that are created by law, are not subject to annual appropriation and have specific uses established by their respective enabling legislation. Special Revenue Funds are funded from, among other things, revenues from federal programs, tax revenues assigned by law to public corporations and other third parties, fees and charges for services by agencies, dividends from public corporations and financing proceeds.  |
| <b>SSA</b>                          | Social Security Administration.   |
| <b>TRS</b>                          | Teachers Retirement System means the Puerto Rico System of Annuities and Pensions for Teachers, a statutory trust created to provide pension and other benefits to retired teachers of the Puerto Rico Department of Education and to the employees of the Teachers Retirement System. TRS is a fiduciary fund of the Commonwealth of Puerto Rico for purposes of the Commonwealth's financial statements.  |
| <b>TSA</b>                          | TSA means Treasury Single Account, the Commonwealth's main operational bank account (concentration account) in which a majority of receipts from Governmental funds are deposited and from which most expenses are disbursed. TSA receipts include tax collections, charges for services, intergovernmental collections, the proceeds of short and long-term debt issuances and amounts held in custody by the Secretary of the Treasury for the benefit of the Commonwealth's fiduciary funds. Only a portion of the revenues received by the TSA is included in the annual General Fund budget presented to the Puerto Rico Legislative Assembly for approval. Other revenues are separately assigned by law to certain agencies or public corporations but still flow through the TSA. |
| <b>Unrecorded Invoices</b>          | Invoices that have been physically captured but are currently being manually entered into an Excel ledger DTPR. These invoices have not been captured in the accounting system.   |

## Introduction

- Enclosed is the weekly Treasury Single Account ("TSA") cash flow report, supporting schedules and Liquidity Plan to actual variance analysis.
- TSA is the Commonwealth's main operational bank account (concentration account) in which a majority of receipts from Governmental funds are deposited and from which most expenses are disbursed.
- Beginning April 2016, TSA receipts are deposited in a commercial bank account rather than the Government Development Bank for Puerto Rico ("GDB").
- Receipts in the TSA include tax collections (including revenues assigned to certain public corporations and pledged for the payment of their debt service), charges for services, intergovernmental collections (such as reimbursements from Federal assistance grants), the proceeds of short and long-term debt issuances held in custody by the Secretary of Treasury for the benefit of the Government fiduciary funds, and other receipts. Only a portion of the revenues received by the TSA is included in the annual General Fund budget presented to the Puerto Rico Legislative Assembly for approval. Other revenues are separately assigned by law to certain agencies or public corporations but still flow through the TSA.
- Disbursements from the TSA include payroll and related costs, vendor and operational disbursements (including those reimbursed by Federal assistance grants and funded from Special Revenue Funds), welfare expenditures, capital outlays, debt service payments, required budgetary formulas and appropriation payments, pass-through payments of pledged revenues to certain public corporations, tax refunds, payments of current pension benefits and other disbursements.
- Federal funds related to disaster relief for hurricanes Irma and Maria are deposited in a separate bank account overseen by the Government Authorized Representative ("GAR"), and transferred to the TSA only after admissible disbursements (per approved Project Worksheets) have been made. These inflows to the TSA will be captured on the Federal Funds Receipts (Schedule C); outflows will be captured on the Vendor Payments (Schedule E).
- Data for TSA inflows/outflows is reported from various systems within the Department of Treasury of Puerto Rico ("DTPR"):
  - Cash Flow Actual Results - Source for the actual results is the TSA Cash Flow.
  - Schedule A - Collections - Source for collections information is the DTPR collections system.
  - Schedule B - Agency Collections - Source for the agency collections is DTPR.
  - Schedule C - Federal Fund Receipts - Source for the federal funds receipts is DTPR.
  - Schedule D - Net Payroll - Source for net payroll information is the DTPR Rhum Payroll system.
  - Schedule E - Vendor Payments - The source for vendor payments is the Bank checks paid report and a report from the DTPR PRIFAS system.
  - Schedule F - Other Legislative Appropriations - Source for the other legislative appropriations is DTPR.
  - Schedule G - Central Government - Partial Inventory of Known Short Term Obligations - Sources are DTPR.
- Data limitations and commentary:

The government has focused on the seven schedules above for which access to reliable, timely, and detailed data is available to support these items. The government continues to work with DTPR and other parties to access additional reliable data that would help us provide detail in the future for other line items in the Cash Flow.

### **FY 2018 TSA Forecast Key Assumptions**

- *The FY 2018 Treasury Single Account cash flow forecast Liquidity Plan was prepared at the beginning of the fiscal year based on the approved FY 2018 Budget, was projected monthly through June 2018, and is used as the benchmark against which weekly results and variances are measured. As a result of material economic and operational changes stemming from Hurricanes Irma and Maria, DTPR is in the process of developing a reforecast of TSA cash flows to year-end. Until then, the original TSA forecast will continue to serve as the measure for weekly cash flow variances.*
- *Forecast collections and disbursements through the General Fund and Federal Fund are consistent with the approved FY 2018 Budget, with the exception of payroll outlays which were forecast based on run-rate cash disbursement trends, and budget reserves which are non-cash and do not impact the TSA direct cash flows.*
- *TSA General Fund inflows are "gross" (i.e. include accrued Tax Refunds in 2018) and therefore higher than presented in the approved FY 2018 Budget, which considers General Fund revenues net of current year tax refunds. Repayment of deferred tax refunds (from CY 2016 and prior) total \$292mm; reserve for current year tax refunds (excluding garnishments) total \$456mm.*
- *Payroll outlays are based on FY 2017 run-rate disbursements, less savings measures, representing a \$298mm favorable adjustment to the approved FY 2018 Budget for the full fiscal year. Payroll is presented inclusive of segregated employee contributions (\$349M for the year). Payroll is disbursed through the TSA on a bi-weekly basis, approximately on the 15th and 30th of each month.*
- *Pensions reflect the implementation of the pay-as-you-go model in FY 2018. Retirement system inflows represent deposits from municipalities and corporations net of administrative expenses. Figures also include ERS / TRS / JRS asset sales (\$390M), which occurred in July 2017.*
- *The Liquidity Plan assumes collections and outlays of Federal Funds are equal in FY 2018 (zero net cash impact), excluding potential timing impact.*
- *Clawback funds set aside prior to June 2016 (approx. \$146mm held at BPPR accounts and \$144mm held at GDB) are considered restricted cash and therefore excluded from the projected cash balance.*
- *The Liquidity Plan assumes \$592mm of Reconciliation Adjustment as per the approved FY 2018 Budget and March 13 certified Fiscal Plan, which is projected separately from supplier payments and distributed evenly over 12 months. No further provision has been made for potential contingent liabilities against the government.*
- *The Liquidity Plan assumes that beginning November 2017, COFINA SUT collections flow to the General Fund and are available to the TSA for operational purposes, totaling approx. \$316mm in incremental collections in the forecast. To date these funds have flowed, and may continue to flow, to the COFINA bank account (BNY Mellon), which will create a weekly variance from November through January.*



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**Executive Summary - TSA Cash Flow Actual Results for the Week Ended January 26, 2018**

| Key Figures as of 1/26/2018 |                  |                                |                   |   |
|-----------------------------|------------------|--------------------------------|-------------------|---|
| \$1.80bn                    | \$49M            | (\$48M)                        | \$3M              | (\$173M)                                |
| Bank Cash Position          | Weekly Cash Flow | Weekly Variance <sup>(1)</sup> | YTD Net Cash Flow | YTD Net Cash Requirement <sup>(2)</sup> |

**Key Takeaways as of 1/26/2018:**

Collections

- The following revenue streams have largely been resistant to negative effects stemming from Hurricane Maria:

Corporate Income Tax<sup>(1)</sup>  
Non Resident Withholdings

Alcoholic Beverages Tax  
Petroleum Import Tax

Motor Vehicles Tax / Fees  
Rum Tax

Cigarette Tax  
Others

(1) The full impact of Hurricane Maria on Corporate Income Tax collections may not be completely realized yet, as negative effects on Corporate Income Tax collections may lag behind other revenue streams.

- The following revenue streams have been negatively impacted by effects stemming from Hurricane Maria, and are currently under assessment to determine how much of the negative effects are temporary and will reverse in the short term vs. how much will result in permanent variance and FY2018 collection shortfall:

Individual Income Tax  
Sales & Use Tax

Act 154 Collections  
Agency Collections

Federal Fund Receipts  
Others

**Notable variances<sup>(a)</sup> for the week ended January 26, 2018:**

|         |   |   |
|---------|---|---|
| -\$145M | Inflow - Sales & Use Tax                    | (partially Temporary) -\$54M of this variance is permanent, as it relates to funds that were forecast to flow into the CoFINA BNY Mellon account. The remaining variance will be assessed to determine how much is permanent vs. temporary.   |
| -\$98M  | Outflow - ASSES Appropriation               | (Temporary) offsets previous YTD timing variance. Mainly due to \$137M federally funded appropriation to ASSES for the Medicaid Program that was executed on 1/24.  |
| -\$81M  | Outflow - Pension Benefits                  | (Temporary) January pension benefit payments were disbursed on 1/26; original forecast projected \$83M to be disbursed on 1/29.   |
| +\$105M | Inflow - Federal Fund Receipts              | (Temporary) offsets previous week's timing variance. Mainly due to \$151M catch up in federal funds received for the Medicaid Program (compared to \$48M forecast). Additionally, Federal Fund receipts included \$13M in funds transferred to the TSA on 1/26 for reimbursement of disaster-related spend.   |
| +\$127M | Inflow - Contributions From Pension Systems | (Temporary) offsets previous YTD timing variance. Due to \$143M transferred to the TSA from a separate sweep account under the custody of DTPR on 1/26 relating to 1Q and 2Q Paygo charges to municipalities and public corporations. This transfer to the TSA represented the first transfer of Paygo charges into the TSA. Going forward, regular transfers are expected to occur as Paygo charges are collected from municipalities and public corporations. |

**Notable YTD variances<sup>(a)</sup> as of January 26, 2018:**

|         |                                |  |
|---------|--------------------------------|--|
| -\$468M | Inflow - Federal Fund Receipts | (Temporary) YTD variances in federal fund receipts are partially offset by variances in federally funded vendor disbursements, federal appropriations to ASSES, and disbursements for Nutritional Assistance.  |
| -\$402M | Inflow - Sales & Use Tax       | (partially Temporary) YTD permanent negative variance is -\$316M due to CoFINA SUT collections flowing to the CoFINA bank account. Remaining YTD variance due to the current week's variance will be assessed to determine how much of the remaining variance is temporary vs. permanent.  |
| -\$211M | Inflow - General Collections   | (permanent, with exception of a few timing variances) principally due to the negative impacts caused by Hurricane Maria. The largest YTD collections variances are -\$150M in individual income tax collections, -\$159M in Act 154 collections, and +\$129M in petroleum & gas tax collections.   |
| +\$80M  | Outflow - Tax Refunds          | (Temporary) Mainly due to \$27M in senior citizen tax refunds, originally forecast to be refunded in November and December, now projected to be refunded in February and March 2018. (Temporary). Remaining +\$53M variance is also timing related.  |
| +\$296M | Outflow - Reconciliation Adj.  | (potentially permanent) potential utilization of the Reconciliation Adjustment deferred to later this fiscal year.   |
| +\$519M | Outflow - Vendor Disbursements | (partially Temporary) significant reversal of YTD variance is expected next week due to payments issued during the week ended 1/26 that are not clear the bank until the following week. The vendor to which the largest amount of payments were issued was PREPA, as throughout January there was a concerted effort amongst agencies to record and subsequently pay down open invoices from PREPA and PRASA in order to support their liquidity needs. This corresponds with increases in AP throughout January and subsequent decrease of total AP by \$194M from 1/19 to 1/26. Remaining YTD variance is being assessed to determine how much is expected to reverse throughout 3Q and 4Q. |

**Key Cash Flow Risks to Liquidity Plan through June 30, 2018:**

|                      |  |
|----------------------|--|
| Sales & Use Tax      | The Liquidity Plan includes \$316M in collections that will not be received into the TSA. These funds have flowed, and will continue to flow, to the CoFINA bank account (BNY Mellon). Though this amount of SUT will be collected, it will not be available to the TSA for operational purposes. Additionally, lower SUT collections due to the impact of the Hurricanes on collections may approximate -\$296M by fiscal year-end, for a total variance of -\$552M compared to the Liquidity Plan. |
| Corporate Income Tax | Though Corporate Income Tax collections have been fairly resistant to the negative effects of Hurricane Maria to date (\$732M YTD actual collections, -\$7M YTD variance), the full impact of Hurricane Maria may not be completely realized yet, as negative effects may lag behind other revenue streams. By fiscal year-end, lower Corporate Income Tax collections due to the impact of the Hurricanes may approximate -\$169M when compared to the original Liquidity Plan.                     |
| Act 154 Collections  | Act 154 collections have been negatively impacted due to the effects of Hurricane Maria and a majority of the variance is assumed to be permanent in nature. Further deterioration in Act 154 Collections is expected throughout 3Q and 4Q. Total variance against the original Liquidity Plan may approximate -\$291M by fiscal year-end.   |
| FEMA Spend           | FEMA cost share may impact working capital due to the timing of the spend / reimbursement cycle. Though FEMA cost share will be funded by general fund reserves that were excluded from the Liquidity Plan forecast (\$307M), the lag between spend and reimbursement may create temporary cash variances in the TSA.  |
| PREPA/PRASA          | A Court decision regarding a loan in the amount of \$550M to PREPA from the TSA is expected on February 15, 2018. PRASA might also potentially require funds to be transferred from the TSA to fund their ongoing liquidity needs, which is an additional risk against the Liquidity Plan. The total potential TSA funding need is currently being assessed.   |

**Key Cash Flow Opportunities to Liquidity Plan through June 30, 2018:**

|                           |  |
|---------------------------|--|
| Petroleum & Gas Taxes     | Strong petroleum & gas tax collections could continue throughout 3Q and 4Q, providing additional positive variance in collections. Since Hurricane Maria, +\$112M variance (+\$123M FY2018 YTD) in this revenue stream, largely driven by unplanned increases in demand for oil to run power generators, has partially offset other revenues that were negatively affected due to the Hurricanes.  |
| Reconciliation Adjustment | Currently, the Reconciliation Adjustment is being deferred until later this fiscal year. However, the Reconciliation Adjustment might not be fully utilized, which would allow for a cash opportunity against the Liquidity Plan of +\$592M. This opportunity might be partially offset by non-budgeted Title III spend (which may approximate -\$200M) and the set up of The Municipal Recover Fund (potentially -\$100M). Total adjusted cash opportunity against the Liquidity Plan could be +\$292M. |

Footnotes:

(a) Variances represent actual results vs. FY2018 Liquidity Plan



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TSA Cash Flow Actual Results for the Week Ended January 26, 2018

As of January 26, 2018

| (figures in \$000s)                               |   | Schedule | Prior Variance<br>YTD 1/19 | Actual<br>1/26     | Forecast<br>1/26   | Variance<br>1/26   | Actual YTD<br>1/26   | Forecast YTD<br>1/26 | Variance YTD<br>1/26 |
|---|---|----------|----------------------------|--------------------|--------------------|--------------------|----------------------|----------------------|----------------------|
| <b>General &amp; Special Revenue Fund Inflows</b> |   |          |                            |                    |                    |                    |                      |                      |                      |
| 1   | Collections (a)   | A        | (\$200,294)                | \$97,542           | \$107,911          | (\$10,369)         | \$3,945,789          | \$4,156,453          | (\$210,664)          |
| 2   | Agency Collections  | B        | (75,145)                   | 8,518              | 10,589             | (2,071)            | 227,714              | 304,929              | (77,216)             |
| 3   | Sales and Use Tax   |          | (256,483)                  | 28,769             | 174,525            | (145,757)          | 575,459              | 977,699              | (402,240)            |
| 4   | Excise Tax through Banco Popular                                |          | 1,639                      | —                  | —                  | —                  | 273,635              | 272,003              | 1,633                |
| 5   | Rum Tax   |          | 44,981                     | 6,814              | —                  | 6,814              | 159,295              | 107,500              | 51,795               |
| 6   | Electronic Lottery  |          | (50,451)                   | —                  | —                  | —                  | 30,887               | 81,337               | (50,451)             |
| 7   | Subtotal - General & Special Revenue Fund Inflows               |          | (\$535,761)                | \$141,643          | \$293,026          | (\$151,383)        | \$5,212,778          | \$5,893,922          | (\$687,143)          |
| <b>Retirement System Inflows</b>                  |   |          |                            |                    |                    |                    |                      |                      |                      |
| 8   | Contributions From Pension Systems (b)                          |          | (209,317)                  | 143,339            | 16,101             | 127,238            | 143,339              | 225,418              | (82,079)             |
| 9   | Pension System Asset Sales                                      |          | —                          | —                  | —                  | —                  | 390,480              | 390,480              | —                    |
| 10  | Subtotal - Retirement System Inflows                            |          | (\$209,317)                | \$143,339          | \$16,101           | \$127,238          | \$533,819            | \$615,898            | (\$82,079)           |
| <b>Other Inflows</b>                              |   |          |                            |                    |                    |                    |                      |                      |                      |
| 11  | Federal Fund Receipts (c)                                       | C        | (572,764)                  | 213,835            | 108,683            | 105,153            | 2,806,624            | 3,274,235            | (467,611)            |
| 12  | Other Inflows (d)   |          | 37,344                     | 1,308              | 3,539              | (2,232)            | 200,050              | 164,938              | 35,112               |
| 13  | Interest earned on Money Market Account                         |          | 2,905                      | —                  | —                  | —                  | 2,905                | —                    | 2,905                |
| 14  | GDB Transactions  |          | (28,766)                   | —                  | —                  | —                  | —                    | 28,766               | (28,766)             |
| 15  | Tax Revenue Anticipation Notes                                  |          | —                          | —                  | —                  | —                  | —                    | —                    | —                    |
| 16  | Subtotal - Other Inflows  |          | (\$561,280)                | \$215,143          | \$112,222          | \$102,921          | \$3,009,579          | \$3,467,939          | (\$458,360)          |
| 17  | <b>Total Inflows</b>  |          | <b>(\$1,306,350)</b>       | <b>\$500,125</b>   | <b>\$421,349</b>   | <b>\$78,776</b>    | <b>\$8,756,177</b>   | <b>\$9,983,758</b>   | <b>(\$1,227,582)</b> |
| <b>Payroll Outflows</b>                           |   |          |                            |                    |                    |                    |                      |                      |                      |
| 18  | Net Payroll (e)   | D        | 6,637                      | (6,725)            | (67,949)           | 1,225              | (1,005,986)          | (1,013,847)          | 7,862                |
| 19  | Other Payroll Related Costs - (SSA, SIFC, Health Insurance) (f) |          | (19,527)                   | (18,237)           | (38,934)           | 20,707             | (767,795)            | (768,574)            | 779                  |
| 20  | Gross Payroll - PR Police Department (g)                        |          | (24,263)                   | (16,650)           | (21,043)           | 4,392              | (405,298)            | (385,427)            | (19,871)             |
| 21  | Subtotal - Payroll and Related Costs                            |          | (\$37,553)                 | (\$101,602)        | (\$127,926)        | \$26,324           | (\$2,179,078)        | (\$2,167,848)        | (\$11,230)           |
| <b>Pension Outflows</b>                           |   |          |                            |                    |                    |                    |                      |                      |                      |
| 22  | Pension Benefits  |          | 43,733                     | (85,421)           | (4,006)            | (81,415)           | (1,231,371)          | (1,193,689)          | (37,682)             |
| 23  | Pension Paygo Outlays on Behalf of Public Corporations          |          | 43,268                     | —                  | —                  | —                  | —                    | (43,268)             | 43,268               |
| 24  | Subtotal - Pension Related Costs                                |          | \$87,001                   | (\$85,421)         | (\$4,006)          | (\$81,415)         | (\$1,231,371)        | (\$1,236,957)        | \$5,586              |
| <b>Appropriations - All Funds</b>                 |   |          |                            |                    |                    |                    |                      |                      |                      |
| 25  | Health Insurance Administration - ASES                          |          | 146,538                    | (154,339)          | (64,494)           | (89,845)           | (1,414,191)          | (1,470,884)          | 56,693               |
| 26  | University of Puerto Rico - UPR                                 |          | (0)                        | —                  | —                  | —                  | (389,854)            | (389,854)            | (0)                  |
| 27  | Muni. Revenue Collection Center - CRIM                          |          | (6,539)                    | —                  | (5,311)            | 5,311              | (138,953)            | (137,665)            | (1,288)              |
| 28  | Highway Transportation Authority - HTA                          |          | 12,165                     | —                  | —                  | —                  | (77,738)             | (89,903)             | 12,165               |
| 29  | Public Buildings Authority - PBA                                |          | (2,842)                    | —                  | —                  | —                  | (43,565)             | (40,723)             | (2,842)              |
| 30  | Other Government Entities                                       |          | 59,474                     | (9,257)            | (9,039)            | (218)              | (277,023)            | (336,279)            | 59,256               |
| 31  | Subtotal - Appropriations - All Funds                           |          | \$208,736                  | (\$163,596)        | (\$78,844)         | (\$84,753)         | (\$2,341,325)        | (\$2,465,309)        | \$123,983            |
| <b>Other Disbursements - All Funds</b>            |   |          |                            |                    |                    |                    |                      |                      |                      |
| 32  | Vendor Disbursements (h)  | E        | 506,485                    | (53,010)           | (65,066)           | 12,056             | (1,355,362)          | (1,878,902)          | 518,540              |
| 33  | Other Legislative Appropriations (i)                            | F        | (1,987)                    | (124)              | (1,574)            | 1,451              | (211,812)            | (211,276)            | (536)                |
| 34  | Tax Refunds   |          | 75,336                     | (4,102)            | (9,026)            | 4,923              | (268,492)            | (348,751)            | 80,260               |
| 35  | Nutrition Assistance Program                                    |          | 23,823                     | (43,279)           | (38,322)           | (4,957)            | (1,125,557)          | (1,144,423)          | 18,866               |
| 36  | Other Disbursements   |          | 23,520                     | —                  | —                  | —                  | (40,246)             | (63,766)             | 23,520               |
| 37  | Reconciliation Adjustment                                       |          | 296,000                    | —                  | —                  | —                  | —                    | (296,000)            | 296,000              |
| 38  | Subtotal - Other Disbursements - All Funds                      |          | \$923,176                  | (\$100,515)        | (\$113,988)        | \$13,473           | (\$3,001,468)        | (\$3,938,117)        | \$936,649            |
| 39  | <b>Total Outflows</b>   |          | <b>\$1,181,361</b>         | <b>(\$451,135)</b> | <b>(\$324,763)</b> | <b>(\$126,372)</b> | <b>(\$8,753,242)</b> | <b>(\$9,808,230)</b> | <b>\$1,054,989</b>   |
| 40  | <b>Net Cash Flows</b>   |          | <b>(\$124,997)</b>         | <b>\$48,990</b>    | <b>\$96,586</b>    | <b>(\$47,596)</b>  | <b>\$2,935</b>       | <b>\$1,755,528</b>   | <b>(\$172,593)</b>   |
| 41  | Bank Cash Position, Beginning (j)                               |          | —                          | 1,752,942          | 1,877,939          | (124,997)          | 1,798,937            | 1,798,937            | —                    |
| 42  | <b>Bank Cash Position, Ending (j)</b>                           |          | <b>(\$124,997)</b>         | <b>\$1,801,932</b> | <b>\$1,974,525</b> | <b>(\$172,593)</b> | <b>\$1,801,932</b>   | <b>\$1,974,525</b>   | <b>(\$172,593)</b>   |

**Footnotes:**

(a) Includes reserve for tax returns (\$456 million) and Special Revenue Fund portion of posted collections.

(b) Paygo charges to municipalities and public corporations collected at the TSA.

(c) As of the date of this report, includes \$13M in federal funded account balances transferred to the TSA that relate to disaster relief.

(d) Inflows related to the State Insurance Fund, the Department of Labor and Human Resources, the Commissioner of Financial Institutions, and others.

(e) Payroll is paid bi-weekly on the 15th and 30th (or last day of the month, whichever comes sooner).

(f) Related to employee withholdings, social security, insurance, and other deductions.

(g) Police payroll is reflected individually because it is paid through a separate bank account. Also, the police payroll line item shown in the TSA cash flow is gross (i.e. inclusive of Other Payroll Related items).

(h) Includes payments to third-party vendors as well as intergovernmental payments to agencies with separate Treasuries.

(i) General Fund appropriations to non-TSA entities such as Legislative Assembly, Correctional Health, Comprehensive Cancer Center, and others.

(j) Excludes Banco Popular of Puerto Rico Account with balance of approximately \$146mm. Amounts deposited in GDB subject to GDB restructuring.

(k) Unless otherwise stated, variances are either not material in nature or are expected to reverse in the short term.

- 1 Weekly variance mainly due to -\$10M lower Corporate Income Tax collections and -\$8M lower Act 154 collections, partially offset by positive variances across several other revenue concepts. Variances are a mix of timing related variances and permanent variances. Other revenue streams were in line with forecast for the week ended 1/26. The largest YTD collections variances are -\$150M in individual income tax collections, -\$139M in Act 154 collections, and +\$123M in Petroleum & Gas Tax collections.
- 3 -\$54M of the weekly variance relates to funds that were forecast to flow to the COFINA BNY Mellon account. The remaining variance will be assessed to determine how much is permanent vs. temporary. YTD variance mainly due to COFINA SUT collections flowing to the COFINA bank account, representing an unfavorable variance from November through January.
- 8 Weekly variance due to \$143M transferred to the TSA from a separate sweep account under the custody of DTPR on 1/26 relating to 1Q and 2Q Paygo charges to municipalities and public corporations. YTD variance remaining is mainly due to not yet receiving payments from PRASA and various Municipalities.
- 11 Weekly variance offsets previous YTD timing variance, mainly due to \$151M catch up in federal funds received for the Medicaid Program (compared to \$48M forecast). Additionally, federal fund receipts includes \$13M in funds transferred to the TSA on 1/26 for reimbursement of disaster-related spend. The majority of these funds (\$11M) were reimbursements for National Guard spend relating to hurricanes Irma and Maria. Remaining weekly and YTD variances in federal fund receipts are partially offset by variances in federally funded vendor disbursements (portion of line 32), federal appropriations to ASES (line 25), and disbursements for Nutritional Assistance (line 35). Remaining variance is due to timing.
- 19 Weekly variance mainly due to monthly payments disbursed 1/11 & 1/12 to financial service providers on behalf of public employees and for insurance providers originally forecast to be disbursed on 1/26.
- 24 Weekly variance is temporary, as January pension benefit payments were disbursed on 1/26; original forecast projected \$83M to be disbursed on 1/29. YTD Pension PayGo outlays variance is expected to reverse in subsequent weeks, as \$143M was received by the TSA on 1/26 relating to 1Q and 2Q Paygo charges to municipalities and public corporations.
- 25 Weekly variance offsets previous YTD variance, mainly due to \$137M federally funded appropriation to ASES for the Medicaid Program that was executed on 1/24. YTD variance is driven by lower-than-projected healthcare premiums & claims costs at ASES, and therefore lower federal matching funds flowing through the TSA. A portion of the YTD variance is permanent, but it is offset by associated federal fund receipts variance.
- 32 Though payment processing is showing signs of improvement across major agencies, weekly vendor disbursements for the current week were below forecast by 19%. However, significant reversal of YTD variance is expected next week, due to payments issued during the week ended 1/26 that did not clear the bank until the week ended 2/2. The vendor to which the largest amount of payments were issued was PREPA, as throughout January there was a concerted effort amongst agencies to record and subsequently pay down open invoices from PREPA and PRASA in order to support their liquidity needs. This corresponds with increases in AP throughout the month of January, and subsequent decrease of total AP by \$194M from 1/19 to 1/26. AP decreased in the reported week due the payments issued, and vendor disbursements cash outflow will reflect this in the subsequent week when payments clear.
- 34 Weekly and YTD variances are due to timing. \$27M of the YTD variance is due to Senior Citizen tax refunds, originally forecast to be refunded in November and December, now projected to be refunded in February and March 2018. Timing of refunds corresponds with adjusted filing dates due to the impact of Hurricane Maria. Remaining variance is due to timing.
- 36 YTD variance is offset by GDB Transactions (relates to legacy debt service deposit agreement) variance in inflows (line 14), with remaining variance due to timing.
- 37 Potential utilization of the Reconciliation Adjustment deferred to later this fiscal year.

**Puerto Rico Department of Treasury | AAFAF**  
*Schedule A: Collections Detail*

**As of January 26, 2018**

|   | Actual          | YTD                |
|---|-----------------|--------------------|
|   | 1/26            | FY18               |
| <i>(figures in \$000s)</i>                                |                 |                    |
| <b><u>General Fund</u></b>                                |                 |                    |
| 1 Individuals   | \$26,094        | \$1,077,046        |
| 2 Corporations  | 3,086           | 730,902            |
| 3 Non Residents Withholdings                              | 3,733           | 348,147            |
| 4 Act 154   | —               | 642,267            |
| 5 Alcoholic Beverages                                     | 986             | 147,531            |
| 6 Cigarettes  | 2,057           | 90,920             |
| 7 Motor Vehicles  | 7,425           | 197,675            |
| 8 Other General Fund                                      | 4,107           | 131,392            |
| 9 <b>Total General Fund</b>                               | <b>\$47,490</b> | <b>\$3,365,881</b> |
| <b><u>Retained Revenues (a)</u></b>                       |                 |                    |
| 10 AACA Pass Through                                      | 1,674           | 43,371             |
| 11 AFI/RBC Pass Through                                   | 15              | 6,290              |
| 12 ASC Pass Through                                       | 2,102           | 45,982             |
| 13 HTA Pass Through                                       | 3,380           | 372,585            |
| 14 Total Other Retained Revenues                          | 1,709           | 39,650             |
| 15 <b>Total Retained Revenues</b>                         | <b>\$8,882</b>  | <b>\$507,878</b>   |
| 16 <b>Total Collections from DTPR Collections System</b>  | <b>\$56,372</b> | <b>\$3,873,759</b> |
| 17 <b>Timing-related unreconciled TSA Collections (b)</b> | <b>\$41,171</b> | <b>\$72,031</b>    |
| 18 <b>Total Collections</b>                               | <b>\$97,542</b> | <b>\$3,945,789</b> |

Source: DTPR, collection system

**Footnotes:**

(a) Retained Revenues are revenues conditionally assigned to certain public corporations and the collections of those revenues are through accounts referred to as "pass through" accounts, the majority of which include (i) ACAA auto insurance, (ii) AFI/RBC petroleum tax, (iii) ASC personal injury insurance, and (iv) HTA toll revenues.

(b) Due to timing. Receipts in collections post account occur approximately two business days prior to being deposited into the TSA.



**Puerto Rico Department of Treasury | AAFAF**  
*Schedule B: Agency Collections Detail*

**As of January 26, 2018**

|   | Actual         | YTD              |
|---|----------------|------------------|
|   | 1/26           | FY18             |
| <i>(figures in \$000s)</i>                                  |                |                  |
| <b><u>Agency</u></b>  |                |                  |
| 1 Department of Health                                      | \$3,673        | \$64,231         |
| 2 Office of the Financial Institution Commissioner          | 83             | 45,393           |
| 3 Funds under the Custody of the Department of Treasury     | 642            | 22,171           |
| 4 Department of Labor and Human Resources                   | 1,033          | 17,729           |
| 5 Department of Treasury                                    | 50             | 9,563            |
| 6 Department of Justice                                     | 403            | 8,340            |
| 7 Office of the Commissioner of Insurance                   | 136            | 7,268            |
| 8 Department of Natural and Environmental Resources         | 282            | 4,549            |
| 9 Department of Education                                   | 33             | 4,288            |
| 10 Mental Health and Drug Addiction Services Administration | 518            | 4,146            |
| 11 Department of Recreation and Sport                       | 11             | 3,564            |
| 12 Deposits non-identified (a)                              | (21)           | 3,446            |
| 13 Department of Correction and Rehabilitation              | 110            | 3,423            |
| 14 General Services Administration                          | 157            | 3,050            |
| 15 Department of State                                      | 191            | 3,016            |
| 16 Department of Housing                                    | 26             | 2,831            |
| 17 Medical Emergencies Service                              | 69             | 2,787            |
| 18 Puerto Rico Police Department                            | 167            | 2,259            |
| 19 Administration for the Horse Racing Sport and Industry   | 95             | 2,013            |
| 20 Others (b)   | 860            | 13,646           |
| <b>21 Total</b>   | <b>\$8,518</b> | <b>\$227,714</b> |

Source: DTPR

**Footnotes:**

(a) Includes transfers to other agencies in addition to unreconciled agency collections.

(b) Inflows related to Department of Transportation and Public Works, Firefighters Corps, Environmental Quality Board, Department of Agriculture, and others.

**Puerto Rico Department of Treasury | AAFAF**  
*Schedule C: Federal Funds Receipts Detail*

**As of January 26, 2018**

| <i>(figures in \$000s)</i>                           |  | Actual           | YTD                |
|--|--|------------------|--------------------|
|  |  | 1/26             | FY18               |
| <b><u>Agency</u></b>                                 |  |                  |                    |
| 1 Adm. Socioeconomic. Dev. Family                    |  | \$43,196         | \$1,153,635        |
| 2 Health   |  | 152,743          | 1,137,926          |
| 3 Department of Education                            |  | 3,026            | 364,186            |
| 4 Vocational Rehabilitation Adm.                     |  | 8                | 19,916             |
| 5 Mental Health and Drug Addiction Services Adm.     |  | 1,124            | 14,755             |
| 6 Puerto Rico National Guard                         |  | —                | 11,344             |
| 7 Families and Children Adm.                         |  | —                | 9,660              |
| 8 Department of Justice                              |  | 0                | 9,057              |
| 9 Department of Labor and Human Resources            |  | 44               | 9,056              |
| 10 Department of Family                              |  | 32               | 5,042              |
| 11 Environmental Quality Board                       |  | —                | 4,006              |
| 12 Department of Natural and Environmental Resources |  | 180              | 3,263              |
| 13 Others (a)  |  | 674              | 51,969             |
| 14 Disaster Spend Reimbursements (b)                 |  | 12,808           | 12,808             |
| 15 <b>Total</b>                                      |  | <b>\$213,835</b> | <b>\$2,806,624</b> |

Source: DTPR

Footnotes:

(a) Inflows related to the Women's Affairs Commission, the Municipal Affairs Commission, Office of Elderly Affaris, and  
(b) Represents reimbursement transfers to the TSA for various agencies' disaster related spend. The majority of the  
funds (\$11M) received were reimbursements for National Guard spend relating to hurricanes Irma and María.

**Puerto Rico Department of Treasury | AAFAF**  
*Schedule D: Net (a) Payroll Detail*

**As of January 26, 2018**

| <i>(figures in \$000s)</i>   |  | Actual          | YTD                |
|------------------------------|--|-----------------|--------------------|
|                              |  | 1/26            | FY18               |
| <b>General Fund</b>          |  |                 |                    |
| 1                            | Education                                    | \$26,468        | \$391,129          |
| 2                            | Correction and Rehab                         | 5,951           | 84,198             |
| 3                            | Health                                       | 2,523           | 32,091             |
| 4                            | All Other Agencies (b)                       | 17,422          | 258,058            |
| 5                            | <b>Total General Fund</b>                    | <b>\$52,364</b> | <b>\$765,476</b>   |
| <b>Special Revenue Funds</b> |  |                 |                    |
| 6                            | Education                                    | \$2             | 83                 |
| 7                            | Correction and Rehab                         | —               | —                  |
| 8                            | Health                                       | 876             | 8,720              |
| 9                            | All Other Agencies (b)                       | 2,715           | 40,624             |
| 10                           | <b>Total Special Revenue Funds</b>           | <b>\$3,593</b>  | <b>\$49,427</b>    |
| <b>Federal Funds</b>         |  |                 |                    |
| 11                           | Education                                    | \$7,607         | \$118,031          |
| 12                           | Correction and Rehab                         | 10              | 155                |
| 13                           | Health                                       | 2,440           | 26,113             |
| 14                           | All Other Agencies (b)                       | 2,803           | 41,816             |
| 15                           | <b>Total Federal Funds</b>                   | <b>\$12,860</b> | <b>\$186,115</b>   |
| 16                           | <b>Total Net Payroll from Payroll System</b> | <b>\$68,817</b> | <b>\$1,001,018</b> |
| 17                           | Timing-related unreconciled Net Payroll (c)  | (\$2,092)       | \$4,967            |
| 18                           | <b>Total Net Payroll</b>                     | <b>\$66,725</b> | <b>\$1,005,986</b> |

Source: DTPR, RHUM system

Footnotes:

(a) Net payroll data provided by DTPR allows for a reliable break down analysis. Note that net payroll is equal to gross payroll less tax withholdings and other deductions.

(b) Includes Firefighter Corps, National Guard, Public Housing Administration, Natural Resources Administration, and others.

(c) Due to timing, EQB net payroll is not included in RHUM payroll system and has not been provided by DTPR.



**Puerto Rico Department of Treasury | AAFAF**  
*Schedule E: Vendor Disbursements Detail*

**As of January 26, 2018**

| <i>(figures in \$000s)</i>          |   | Actual          | YTD                |
|-------------------------------------|---|-----------------|--------------------|
|                                     |   | 1/26            | FY18               |
| <b><u>General Fund</u></b>          |   |                 |                    |
| 1                                   | Education   | \$3,430         | \$180,313          |
| 2                                   | General Court of Justice                                    | 900             | 52,898             |
| 3                                   | Health  | 513             | 59,361             |
| 4                                   | All Other Agencies (a)                                      | 13,039          | 311,813            |
| 5                                   | <b>Total General Fund</b>                                   | <b>\$17,882</b> | <b>\$604,385</b>   |
| <b><u>Special Revenue Funds</u></b> |   |                 |                    |
| 6                                   | Education   | 670             | 37,539             |
| 7                                   | General Court of Justice                                    | —               | 3,401              |
| 8                                   | Health  | 2,678           | 84,750             |
| 9                                   | All Other Agencies (a)                                      | 11,726          | 166,323            |
| 10                                  | <b>Total Special Revenue Funds</b>                          | <b>\$15,074</b> | <b>\$292,013</b>   |
| <b><u>Federal Funds</u></b>         |   |                 |                    |
| 11                                  | Education   | 3,592           | 136,010            |
| 12                                  | General Court of Justice                                    | 0               | 74                 |
| 13                                  | Health  | 3,638           | 100,653            |
| 14                                  | All Other Agencies (a)                                      | 7,141           | 144,058            |
| 15                                  | <b>Total Federal Funds</b>                                  | <b>\$14,371</b> | <b>\$380,794</b>   |
| 16                                  | <b>Total Vendor Disbursements from System</b>               | <b>\$47,327</b> | <b>\$1,277,192</b> |
| 17                                  | <b>Timing-related unreconciled Vendor Disbursements (b)</b> | <b>\$5,683</b>  | <b>\$78,170</b>    |
| 18                                  | <b>Total Vendor Disbursements</b>                           | <b>\$53,010</b> | <b>\$1,355,362</b> |

Source: DTPR's Bank checks paid report and PRIFAS system

**Footnotes:**

(a) Includes ASSMCA, Firefighters Corps, Emergency Medical Corps, Natural Resources Administration, and others.  
(b) Unreconciled vendor disbursements is timing variance pending reconciliation between bank systems and DTPR systems. Also includes approximately \$36M in professional services fees related to Title III spend.

**Puerto Rico Department of Treasury | AAFAF**  
*Schedule F: Other Legislative Appropriations Detail*

**As of January 26, 2018**

| <i>(figures in \$000s)</i>                         |               |                  |
|--|---------------|------------------|
| <u>Agency</u>                                      |               |                  |
|  | <b>Actual</b> | <b>YTD</b>       |
|  | <b>1/26</b>   | <b>FY18</b>      |
| 1 Correctional Health                              | \$5           | \$30,564         |
| 2 House of Representatives                         | —             | 27,334           |
| 3 Puerto Rico Senate                               | —             | 23,877           |
| 4 Office of the Comptroller                        | —             | 21,793           |
| 5 Comprehensive Cancer Center                      | —             | 13,417           |
| 6 Legislative Donations Committee                  | —             | 11,667           |
| 7 Superintendent of the Capitol                    | —             | 8,836            |
| 8 Institute of Forensic Sciences                   | —             | 8,636            |
| 9 Authority of Public-Private Alliances (projects) | —             | 7,132            |
| 10 Martín Peña Canal Enlace Project Corporation    | —             | 6,387            |
| 11 Legislative Services                            | —             | 6,110            |
| 12 Housing Financing Authority                     | —             | 5,504            |
| 13 All Others (a)                                  | 119           | 40,556           |
| 14 <b>Total Other Legislative Appropriations</b>   | <b>\$124</b>  | <b>\$211,812</b> |

*Source: DTPR*

Footnotes:

*(a) Includes the Solid Waste Authority, Public Broadcasting Corporation, Musical Arts Corporation, and several other agencies.*

**Puerto Rico Department of Treasury | AAFAF**

**As of January 26, 2018**

**Central Government - Partial Inventory of Known Short Term Obligations (a)**

(figures in \$000s)

| Obligation Type            | Recorded Invoices (b) |
|----------------------------|-----------------------|
| 3rd Party Vendor Invoices  | \$ 17,916             |
| Intergovernmental Invoices | 39,482                |
| <b>Total</b>               | <b>\$ 57,398</b>      |

Source: DTPR

**Footnotes:**

(a) The numbers presented represent a bottom-up build of invoices at the government agency level, which should not be considered to be indicative of total Accounts Payable for the central government. This is due to issues surrounding invoice entry that has hindered the timely cadence of recording invoices, which was made worse by the impact of the Hurricanes.

(b) The data presented above refers to invoices/vouchers approved for payment by the agencies but checks not released as of 1/26.

| Obligation Type            | Additional Invoices (c) |
|----------------------------|-------------------------|
| 3rd Party Vendor Invoices  | \$ 299,067              |
| Intergovernmental Invoices | 165,596                 |
| <b>Total</b>               | <b>\$ 464,663</b>       |

Source: BDO

**Footnotes:**

(c) The data presented above represents additional invoices identified outside of DTPR main system for the following agencies as of 1/26:

- Police Department
- Department of Education
- Department of Justice
- Department of Correction and Rehabilitation
- Department of Transportation and Public Works
- Mental Health and Drug Addiction Services Administration
- Socio Economic Development Administration
- Administration for Children and Families
- Child Support Administration
- Environmental Quality Board
- Department of Health
- Department of Housing
- Department of Labor
- Department of Sports and Recreation
- Department of Natural Resources
- Administration for the Care and Development of Children
- Puerto Rico Fire Department
- Department of Family
- Department of Treasury

| Obligation Type            | Pre-recorded Invoices (d) |
|----------------------------|---------------------------|
| 3rd Party Vendor Invoices  | \$ 23,095                 |
| Intergovernmental Invoices | 4,756                     |
| <b>Total</b>               | <b>\$ 27,851</b>          |

Source: Compiled by BDO, data provided by agencies.

**Footnotes:**

(d) Pre-recorded AP is related to other agencies out of scope of BDO that independently enters invoice data into a Live AP module prior to invoices being approved for payment. The top 5 agencies in pre-recorded AP outside the BDO scope comprised 85% of the outstanding AP in this category. These agencies are, in descending order; State Elections Commission, Vocational Rehabilitation, Industrial Commission, National Guard, and Department of State.



**Puerto Rico Department of Treasury | AAFAF**

As of January 26, 2018

**Central Government - Partial Inventory of Known Short Term Obligations by agency (a)**

(figures in \$000s)

| Consolidated Inventory Invoices                          | As of June 30, 2017 |                   |                   |                   | As of September 8, 2017 |                   |                   | As of January 26, 2018 |                   |                     |                   |
|--|---------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|-------------------|------------------------|-------------------|---------------------|-------------------|
|  | Checks in Vault (b) | Recorded AP (c)   | Additional AP (d) | Total             | Recorded AP (c)         | Additional AP (d) | Total             | Recorded AP (c)        | Additional AP (d) | Pre-recorded AP (e) | Total             |
| Department of Education                                  | \$ 3,535            | \$ 66,640         | \$ 165,459        | \$ 235,633        | \$ 28,009               | \$ 161,824        | \$ 189,833        | \$ 19,412              | \$ 114,816        | \$ -                | \$ 134,228        |
| Department of Health                                     | -                   | 15,432            | 132,856           | 148,288           | 8,996                   | 130,760           | 139,756           | 7,083                  | 104,748           | -                   | 111,831           |
| Mental Health and Drug Addiction Services Administration | -                   | 2                 | 1,940             | 1,942             | 353                     | 6,086             | 6,439             | 34                     | 8,740             | -                   | 8,774             |
| Environmental Quality Board                              | -                   | 716               | 6,229             | 6,945             | 793                     | 7,194             | 7,987             | 176                    | 6,648             | -                   | 6,824             |
| Department of Correction and Rehabilitation              | -                   | 7,582             | 40,215            | 47,796            | 271                     | 36,746            | 37,018            | 7,878                  | 66,671            | -                   | 74,548            |
| Department of Labor                                      | -                   | 903               | 19,619            | 20,521            | -                       | 23,556            | 23,556            | 415                    | 29,076            | -                   | 29,491            |
| Administration For Children and Families                 | -                   | 143               | 15,123            | 15,266            | 2,818                   | 22,254            | 25,073            | 811                    | 27,153            | -                   | 27,964            |
| Other Agencies   | 1,170               | 77,368            | 43,059            | 121,597           | 23,808                  | 63,883            | 87,691            | 21,590                 | 106,811           | 27,851              | 156,252           |
| <b>Total</b>   | <b>\$ 4,705</b>     | <b>\$ 168,786</b> | <b>\$ 424,500</b> | <b>\$ 597,990</b> | <b>\$ 65,048</b>        | <b>\$ 452,304</b> | <b>\$ 517,352</b> | <b>\$ 57,398</b>       | <b>\$ 464,663</b> | <b>\$ 27,851</b>    | <b>\$ 549,912</b> |

| 3rd Party Vendor Payables                                | As of June 30, 2017 |                  |                   |                   | As of September 8, 2017 |                   |                   | As of January 26, 2018 |                   |                     |                   |
|--|---------------------|------------------|-------------------|-------------------|-------------------------|-------------------|-------------------|------------------------|-------------------|---------------------|-------------------|
|  | Checks in Vault (b) | Recorded AP (c)  | Additional AP (d) | Total             | Recorded AP (c)         | Additional AP (d) | Total             | Recorded AP (c)        | Additional AP (d) | Pre-recorded AP (e) | Total             |
| Department of Education                                  | \$ -                | \$ 39,845        | \$ 132,341        | \$ 172,187        | \$ 14,166               | \$ 91,806         | \$ 105,972        | \$ 5,568               | \$ 79,592         | \$ -                | \$ 85,159         |
| Department of Health                                     | -                   | 14,395           | 92,876            | 107,271           | 8,320                   | 93,580            | 101,900           | 5,773                  | 53,573            | -                   | 59,346            |
| Mental Health and Drug Addiction Services Administration | -                   | 2                | 1,581             | 1,584             | 353                     | 5,605             | 5,958             | 34                     | 8,268             | -                   | 8,301             |
| Environmental Quality Board                              | -                   | 395              | 4,452             | 4,846             | 353                     | 5,114             | 5,467             | 17                     | 4,153             | -                   | 4,170             |
| Department of Correction and Rehabilitation              | -                   | 3,603            | 13,196            | 16,799            | 256                     | 7,448             | 7,704             | 36                     | 37,286            | -                   | 37,322            |
| Department of Labor                                      | -                   | 211              | 10,875            | 11,086            | -                       | 11,023            | 11,023            | 281                    | 14,353            | -                   | 14,634            |
| Administration For Children and Families                 | -                   | 143              | 13,844            | 13,988            | 41                      | 20,025            | 20,065            | 148                    | 22,046            | -                   | 22,195            |
| Other Agencies   | -                   | 29,046           | 22,116            | 51,161            | 16,005                  | 41,724            | 57,728            | 6,060                  | 79,797            | 23,095              | 108,951           |
| <b>Total</b>   | <b>\$ -</b>         | <b>\$ 87,639</b> | <b>\$ 291,282</b> | <b>\$ 378,921</b> | <b>\$ 39,494</b>        | <b>\$ 276,324</b> | <b>\$ 315,818</b> | <b>\$ 17,916</b>       | <b>\$ 299,067</b> | <b>\$ 23,095</b>    | <b>\$ 340,078</b> |

| Intergovernmental Payables                               | As of June 30, 2017 |                  |                   |                   | As of September 8, 2017 |                   |                   | As of January 26, 2018 |                   |                     |                   |
|--|---------------------|------------------|-------------------|-------------------|-------------------------|-------------------|-------------------|------------------------|-------------------|---------------------|-------------------|
|  | Checks in Vault (b) | Recorded AP (c)  | Additional AP (d) | Total             | Recorded AP (c)         | Additional AP (d) | Total             | Recorded AP (c)        | Additional AP (d) | Pre-recorded AP (e) | Total             |
| Department of Education                                  | \$ 3,535            | \$ 26,795        | \$ 33,117         | \$ 63,447         | \$ 13,842               | \$ 70,019         | \$ 83,861         | \$ 13,844              | \$ 35,224         | \$ -                | \$ 49,068         |
| Department of Health                                     | -                   | 1,037            | 39,980            | 41,017            | 676                     | 37,181            | 37,856            | 1,310                  | 51,175            | -                   | 52,485            |
| Mental Health and Drug Addiction Services Administration | -                   | -                | 359               | 359               | -                       | 481               | 481               | -                      | 473               | -                   | 473               |
| Environmental Quality Board                              | -                   | 321              | 1,777             | 2,098             | 440                     | 2,080             | 2,520             | 159                    | 2,495             | -                   | 2,654             |
| Department of Correction and Rehabilitation              | -                   | 3,979            | 27,018            | 30,997            | 15                      | 29,298            | 29,313            | 7,842                  | 29,385            | -                   | 37,226            |
| Department of Labor                                      | -                   | 692              | 8,744             | 9,435             | -                       | 12,533            | 12,533            | 134                    | 14,724            | -                   | 14,857            |
| Administration For Children and Families                 | -                   | -                | 1,279             | 1,279             | 2,778                   | 2,230             | 5,007             | 662                    | 5,107             | -                   | 5,769             |
| Other Agencies   | 1,170               | 48,323           | 20,944            | 70,436            | 7,803                   | 22,159            | 29,962            | 15,531                 | 27,014            | 4,756               | 47,301            |
| <b>Total</b>   | <b>\$ 4,705</b>     | <b>\$ 81,146</b> | <b>\$ 133,218</b> | <b>\$ 219,069</b> | <b>\$ 25,554</b>        | <b>\$ 175,979</b> | <b>\$ 201,534</b> | <b>\$ 39,482</b>       | <b>\$ 165,596</b> | <b>\$ 4,756</b>     | <b>\$ 209,833</b> |

**Footnotes:**

(a) The numbers presented represent a bottom-up build of invoices at the government agency level, which should not be considered to be indicative of total Accounts Payable for the central government. This is due to issues surrounding invoice entry that has hindered the timely cadence of recording invoices, which was made worse by the impact of the Hurricanes.

(b) Refers to checks issued but kept in vault. Due to control processes implemented this fiscal year, it is uncommon for there to be a material checks in vault balance, as now the Department of Treasury has greater control over the approval and authorization of checks before they are issued. Data is sourced from Puerto Rico Department of Treasury.

(c) Refers to invoices/vouchers approved for payment by the agencies but checks not released. Data is sourced from Puerto Rico Department of Treasury.

(d) Represents additional invoices identified outside of DTPR main system for the 19 agencies below. Data is sourced from BDO.

- Police Department
- Department of Education
- Department of Justice
- Department of Correction and Rehabilitation
- Department of Transportation and Public Works
- Mental Health and Drug Addiction Services Administration
- Socio Economic Development Administration
- Administration for Children and Families
- Child Support Administration
- Environmental Quality Board
- Department of Health
- Department of Housing
- Department of Labor
- Department of Sports and Recreation
- Department of Natural Resources
- Administration for the Care and Development of Children
- Puerto Rico Fire Department
- Department of Family
- Department of Treasury

(e) Pre-recorded AP is related to other agencies out of scope for BDO that independently enter invoices into a Live AP module prior to invoice payment approval. The data is sourced from the agencies themselves, compiled by BDO, and validated to ensure there is no overlap with other AP categories.

## Puerto Rico Department of Treasury | AAFAP

## Central Government - Partial Inventory of Known Short Term Obligations (a)

All Agencies

As of January 26, 2018

(figures in \$000s)

| Description  | Recorded AP (b)    |                            | Additional AP (c)  |                            | Pre-Recorded AP (d) |                            | Total     |
|--|--------------------|----------------------------|--------------------|----------------------------|---------------------|----------------------------|-----------|
|  | 3rd Party Payables | Intergovernmental Payables | 3rd Party Payables | Intergovernmental Payables | 3rd Party Payables  | Intergovernmental Payables |           |
| Department of Education                              | \$5,568            | \$13,844                   | \$79,592           | \$35,224                   | \$0                 | \$0                        | \$134,223 |
| Department of Health                                 | 5,773              | 1,310                      | 53,573             | 51,175                     | -                   | -                          | 111,831   |
| Department of Correction and Rehabilitation          | 36                 | 7,842                      | 37,286             | 29,385                     | -                   | -                          | 74,543    |
| Department of Transportation and Public Works        | 118                | 2,177                      | 15,486             | 12,730                     | -                   | -                          | 30,511    |
| Department of Labor and Human Resources              | 281                | 134                        | 14,353             | 14,724                     | -                   | -                          | 29,491    |
| Families and Children Administration                 | 148                | 662                        | 22,046             | 5,107                      | -                   | -                          | 27,964    |
| Department of the Family                             | 526                | 181                        | 17,507             | 2,214                      | -                   | -                          | 20,427    |
| Puerto Rico Police                                   | 484                | 671                        | 12,640             | 104                        | -                   | -                          | 13,899    |
| Socio Economic Development Administration            | -                  | -                          | 8,936              | 5,384                      | -                   | -                          | 13,713    |
| Office of Management and Budget                      | -                  | 18                         | -                  | -                          | 7,983               | 1,740                      | 9,743     |
| Commonwealth Election Commission                     | -                  | -                          | -                  | -                          | 7,937               | 1,798                      | 9,735     |
| Department of Justice                                | 3,612              | 129                        | 5,587              | 391                        | -                   | -                          | 9,719     |
| Department of Natural Resources                      | -                  | -                          | 6,468              | 2,562                      | -                   | -                          | 9,030     |
| Mental Health and Addiction Services Administration  | 34                 | -                          | 8,268              | 473                        | -                   | -                          | 8,774     |
| Child Support Administration                         | 10                 | -                          | 4,589              | 3,415                      | -                   | -                          | 8,014     |
| Environmental Quality Board                          | 17                 | 159                        | 4,153              | 2,495                      | -                   | -                          | 6,824     |
| Highway and Transportation Authority                 | -                  | 4,998                      | -                  | -                          | -                   | -                          | 4,998     |
| Hacienda (entidad interna - fines de contabilidad)   | 82                 | 4,817                      | -                  | -                          | -                   | -                          | 4,899     |
| Department of Housing                                | -                  | -                          | 3,692              | 2                          | -                   | -                          | 3,694     |
| Department of Sports and Recreation                  | 98                 | 235                        | 3,116              | 178                        | -                   | -                          | 3,625     |
| Contributions to Municipalities                      | -                  | 83                         | -                  | -                          | 976                 | 820                        | 1,883     |
| Firefighters Corps                                   | 2                  | 147                        | 1,697              | 17                         | -                   | -                          | 1,862     |
| Puerto Rico National Guard                           | -                  | 52                         | -                  | -                          | 1,598               | 20                         | 1,670     |
| Institute of Puerto Rican Culture                    | -                  | 1,377                      | -                  | -                          | -                   | -                          | 1,377     |
| Department of the Treasury                           | 584                | 0                          | 106                | 14                         | -                   | -                          | 704       |
| Elderly and Retired People Advocate Office           | 2                  | -                          | -                  | -                          | 665                 | 25                         | 692       |
| Office of Public Security Affairs                    | -                  | -                          | -                  | -                          | 648                 | -                          | 648       |
| Office of the Financial Institutions Commissioner    | 1                  | 390                        | -                  | -                          | 230                 | -                          | 621       |
| Administration for Integral Development of Childhood | 3                  | 16                         | 574                | 4                          | -                   | -                          | 595       |
| Cooperative Development Commission                   | 9                  | -                          | -                  | -                          | 453                 | 59                         | 521       |
| Human Resources Office                               | -                  | -                          | -                  | -                          | 388                 | 101                        | 489       |
| Department of State                                  | -                  | 14                         | -                  | -                          | 398                 | 57                         | 469       |
| Citizen's Advocate Office (Ombudsman)                | 98                 | 9                          | -                  | -                          | 314                 | 4                          | 365       |
| Permit Management Office                             | 140                | -                          | -                  | -                          | 184                 | 10                         | 335       |
| Office of the Commissioner of Insurance              | 1                  | -                          | -                  | -                          | 257                 | 15                         | 273       |
| Office of the Electoral Comptroller                  | -                  | -                          | -                  | -                          | 171                 | 79                         | 250       |
| Department of Consumer Affairs                       | 0                  | -                          | -                  | -                          | 204                 | 0                          | 204       |
| Telecommunication's Regulatory Board                 | 7                  | -                          | -                  | -                          | 183                 | -                          | 189       |
| Vocational Rehabilitation Administration             | 130                | 34                         | -                  | -                          | -                   | -                          | 163       |
| Correctional Health                                  | 2                  | -                          | -                  | -                          | 160                 | -                          | 162       |
| State Energy Office of Public Policy                 | 2                  | 41                         | -                  | -                          | 53                  | 1                          | 95        |
| Commission Legislative Donation                      | 16                 | 6                          | -                  | -                          | 70                  | 0                          | 93        |
| Office of the Governor                               | -                  | 77                         | -                  | -                          | -                   | -                          | 77        |
| Socio-Economic Development Office                    | -                  | -                          | -                  | -                          | 67                  | 7                          | 74        |
| Labor Relations Board                                | -                  | -                          | -                  | -                          | 57                  | 6                          | 63        |
| Office of the Commissioner of Municipal Affairs      | -                  | -                          | -                  | -                          | 54                  | 9                          | 62        |
| Natural Resources Administration                     | 47                 | -                          | -                  | -                          | -                   | -                          | 47        |
| Horse Racing Industry and Sport Administration       | 45                 | 0                          | -                  | -                          | -                   | -                          | 45        |
| Public Services Commission                           | 4                  | 41                         | -                  | -                          | -                   | -                          | 45        |
| Public Service Appeals Commission                    | 32                 | -                          | -                  | -                          | -                   | -                          | 32        |
| Parole Board   | -                  | -                          | -                  | -                          | 28                  | 3                          | 32        |
| Corrections Administration                           | -                  | -                          | -                  | -                          | 19                  | -                          | 19        |
| State Historic Preservation Office                   | 1                  | 18                         | -                  | -                          | -                   | -                          | 19        |
| Health Advocate Office                               | 18                 | -                          | -                  | -                          | -                   | -                          | 18        |
| Industrial Tax Exemption Office                      | 13                 | 2                          | -                  | -                          | -                   | -                          | 15        |
| Emergency Medical Services Corps                     | 13                 | -                          | -                  | -                          | -                   | -                          | 13        |
| Department of Agriculture                            | 12                 | -                          | -                  | -                          | -                   | -                          | 12        |
| Industrial Commission                                | 8                  | 2                          | -                  | -                          | -                   | -                          | 9         |
| Planning Board                                       | 3                  | -                          | -                  | -                          | -                   | -                          | 3         |
| Civil Rights Commission                              | 0                  | -                          | -                  | -                          | -                   | -                          | 0         |
| Veterans Advocate Office                             | 0                  | -                          | -                  | -                          | -                   | -                          | 0         |
| Emergency Management & Disaster Administration       | -                  | -                          | -                  | -                          | -                   | -                          | -         |
|  | \$17,916           | \$39,482                   | \$299,067          | \$165,596                  | \$23,095            | \$4,756                    | \$549,912 |

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